

InterOffice Memo

To: Claims Management Staff
From: Claims Training
Date: June 25, 2004
Subject: Cost of Living Adjustments

Effective July 1, 2004, there will be a cost of living adjustment (C.O.L.A.) to the time-loss compensation rate.

For claims where the date of injury is between 7-1-71 and 6-30-04, the time-loss compensation rate is increased by a factor of 1.02251 over the rate paid for the previous year. (For cumulative factors see Chapter 6 in the WCA manual.)

The new maximum time-loss compensation rates are:

Injuries from:	Monthly	Daily
7-1-71 thru 6-30-88	\$2424.62	\$ 80.82
7-1-88 thru 6-30-93	\$3232.83	\$107.76
7-1-93 thru 6-30-94	\$3394.47	\$113.15
7-1-94 thru 6-30-95	\$3556.11	\$118.54
7-1-95 thru 6-30-96	\$3717.75	\$123.93
On or after 7-1-96	\$3879.40	\$129.31

(See the Workers' Compensation Adjudicator Manual, Chapter 6 for charts of time-loss compensation rates.)

For claims where the date of injury is prior to 7-1-71 the time-loss compensation rate is 50 to 65 percent of the average state wage for the proceeding calendar year. The average monthly state wage for 2003 was \$3,232.83 or \$38,794.00 annually.

Pending time-loss compensation payments that cross-over the C.O.L.A. period, including suspended payments, will be updated the evening of 6-30-04. The update will include insertion of LN 96 (C.O.L.A. Increase). Deductions for overpayments and DSHS liens (monthly rate and percentage) will *not* be updated nor suspended. However, no action will be required by staff.

Time-loss compensation and loss of earning power payments **created** after 6-30-04 which cross-over the C.O.L.A. period will automatically be updated to include the period covered by C.O.L.A. and **will not** include LN 96. The adjudicator will need to manually add LN96 to the payment order.

Note: When calculating time-loss compensation benefits, LINIIS converts the monthly rate to a daily rate and rounds up. This may create a discrepancy between the stated monthly rate and a 30-day payment amount.

LINIIS has always calculated time-loss compensation rates this way, but in previous years the discrepancy was minimal.

An update to Chapter 6 of the *Workers' Compensation Adjudicator Manual* with this information will be added to the On-Line Reference System shortly.

If you have any questions, please call Claims Training at (360) 902-4576.